

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

STARRED QUESTION NO:445
ANSWERED ON:18.04.2001
MERGER OF POVERTY ALLEVIATION PROGRAMMES
RAM TAHAL CHOUDHARY

Will the Minister of PLANNING be pleased to state:

- (a) whether any proposal is under consideration of the Government to merge the Poverty Alleviation Programmes with employment oriented schemes and to enhance financial allocation therefor;
- (b) if so, the details thereof along with the time by which the revised programme is likely to be implemented;
- (c) whether the Government have made any appraisal in regard to the factors responsible for the failure of the Poverty Alleviation Programmes and employment oriented schemes so as to implement them effectively;
- (d) if so, the outcome thereof; and
- (e) the corrective steps proposed to be taken by the Government in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF INVESTMENT, MINISTER OF STATE IN THE MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a to e): A statement is laid on the Table of the House.

STATEMENT IN RESPECT OF PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 445 FOR 18.04.2001 REGARDING MERGER OF POVERTY ALLEVIATION PROGRAMMES BY SHRI RAM TAHAL CHAUDHARY

(a) & (b): The poverty alleviation programmes are designed to generate self and wage employment opportunities for the poor. The major rural poverty alleviation programmes were recently restructured w.e.f. 1999-2000 with a view to improve their efficacy/impact on the poor. The Employment Assurance Scheme (EAS) was restructured as the single wage employment programme and the Swarnjayanti Gram Swarozgar Yojana (SGSY) was launched for providing self employment opportunities for the rural poor. Food for Work Programme has recently been launched in drought affected States. In the urban areas the rationalized urban poverty alleviation programme Swarn Jayanti Shahri Rozgar Yojana (SJSRY) was launched in December, 1997 to provide gainful employment to urban unemployed or under employed poor by encouraging the setting up of self employment ventures or provision of wage employment. In addition the Prime Minister's Rozgar Yojana (PMRY) and Rural Employment Generation Programme (REGP) are also in operation for generating new employment opportunities. The Prime Minister's Rozgar Yojana (PMRY) aims to provide employment/self employment to educated unemployed youths. Under the margin money scheme of REGP proposals are submitted by entrepreneurs to various banks/financial institutions for setting up village industry units. Therefore, question of merging the poverty alleviation programmes with employment oriented schemes and to enhance financial allocation therefor, does not arise.

(c) to (e): The Mid Term Appraisal of the Ninth Five Year Plan has reviewed the major anti-poverty programmes (which are employment oriented also) and has drawn attention to the lacunae in the programmes based on evaluation studies and review of specific schemes. The highlights of the Mid Term Appraisal of the Ninth Five Year Plan with respect to poverty alleviation programmes are enclosed. The review of the restructured programmes would form part of the Tenth Plan exercise, which has already started.

Highlights of Mid-Term Appraisal of the Ninth Five Year Plan (1997-2002)

Rural Development & Poverty Alleviation Programmes

Poverty-Alleviation Programmes

Poverty had declined substantially in 1980s. Proportion of people below poverty line declined from 54.9 % in 1973-74 to 36 % in 1993-94. However, recent estimates suggest that the projections on reduction of proportion and number of people below poverty line made in the Ninth Plan have not been realised in the first two years of the plan period.

This may be due to: sluggish agricultural growth which was also less well spread out; labour absorption did not increase hence slow down in growth of real wages; failure of poverty alleviation and watershed development schemes; continuance of certain policies that act against the interest of the poorest, especially tribals; inadequate reach of TPDS to the poorest in the northern and eastern states; fiscal crisis caused by the V Pay commission that led to reduced ability of the states to spend on social sectors; limited growth of rural non-farm sector; and poor governance.

Integrated Rural Development Programme (IRDP) evaluation points: sub-critical investment; unviable projects; illiterate and unskilled beneficiaries with no experience in managing an enterprise; indifferent delivery of credit by banks, overcrowding of lending in certain projects such as dairy; under emphasis on activities like trading, service and even simple processing, poor targeting and selection of non-poor; rising indebtedness; scale of IRDP outstripped capacity of government and banks to absorb.

Integrated Rural Development Programme-Allied Programmes: TRYSEM not dovetailed with IRDP. Non-existent training centres, non-payment of stipend (Chhapra study). DWCRA did well in some states (AP, Kerala, Gujarat).

Sawarnjayanti Gram Swarozgar Yojana (the successor to IRDP) aims at micro-enterprises with emphasis on cluster approach. It is a credit-cum-subsidy programme. Focus on self-help groups. In the past, subsidy orientation leads to corruption and distortion of objectives. Too early to evaluate.

Jawahar Rozgar Yojana evaluation points: inadequate employment (11 days as per concurrent evaluation); thin spread of resources; violation of material-labour norms; corruption (fudging of muster rolls). Projects were executed by contractors who sometimes hired outside labourers at lower wages. Positive aspects: durable community assets and empowerment of gram panchayats. Redesigned in April 1999 as Jawahar Gram Samridhi Yojana. Primary aim now rural infrastructure. Employment is secondary. Too early to evaluate.

Employment Assurance Scheme. Initially demand-driven. Funds went to better-off states. Evaluation by PEO: scheme is being executed through contractors in most of the States in violation of the central guidelines; the norm of 60:40 for wage and material is not maintained; the genuine muster rolls are not being maintained by the Gram Panchayats. Family cards have not been issued; the system of registration of job seekers with Gram Panchayats is not in vogue; Central norms of earmarking, 40 per cent of funds for watershed development and 20 per cent for minor irrigation, have not been followed.

>From April 1999 restructured as the single wage employment scheme; became allocative; 30% of funds allocated to district reserved for areas suffering from endemic labour exodus/areas of distress. Need to shift focus only to backward areas; should not be a universal scheme.

NSAP. Well-targeted. Fewer leakages reported. Needs more resources. Delivery mechanism. A major weakness in the implementation of poverty alleviation programmes has been the lack of adequate participation by the people for whom the programmes are meant. There should be emphasis on the role of PRIs and NGOs.

State Initiatives do better because of better ownership and flexibility in the design of programmes to suit local conditions. Examples: Gokul Gram Yojana, Apna Gaon Apna Kaam, Kudumshree.

Rural Housing : Indira Awaas Yojana (IAY) became an Independent CSS from 1.1.1996. Free of cost houses are provided to below poverty line families. Unit cost is Rs.20,000 in plain and Rs.22,000 in hill/tribal areas. Updation of existing houses at a unit cost of Rs.10,000 is now permissible. A new component of credit-cum-subsidy has also been added. In any given village/block/district it would take a long time before all the families are covered. This is dividing the poor instead of helping them to organise into groups. Despite orders, gram sabhas are not active in deciding beneficiaries.

Land Reforms : Access to land is still critical for employment and income generation in rural areas. Access to land is possible through liberalisation of leasing, but leasing-in should be limited to small and marginal farmers. In areas characterised by feudal/semi feudal modes of production, there is need to further strengthen the existing laws for security of tenure of the poor. Alienation of tribal land continues unabated but needs to be arrested. Gender inequality exists in both inheritance laws and land laws. Suitable Amendments are required to make inheritance laws to agricultural land more gender equal. There is need to update land records and to computerise them to make access to information easier.

Urban Development, Housing and Poverty Alleviation

Urban poverty remains an area of significant and persistent neglect in public policy and is a manifestation of lack of income and purchasing power attributable to lack of productive employment, high rate of inflation, lack of access to social infrastructure, affecting the quality of life of the people. The 1993-94 official estimate of the total urban population 'below poverty line' was 32.36%.

The modified urban poverty alleviation programme re-named as Swarna Jayanti Shahari Rozgar Yojana (SJSRY) consists of two schemes, (a) the Urban Self Employment Programme (USEP) and (b) the Urban Wage Employment Programme (UWEP). Impact assessment has been suggested.